



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

March 18, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF AMENDMENT
NO. 1 TO AGREEMENT NO. 74158 FOR DIETARY AND CONCESSION
CAFETERIA SERVICES AT LAC+USC MEDICAL CENTER
(SUPERVISORIAL DISTRICT 1)
(4 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair of the Board to sign the attached Proposition A (Prop A) Dietary Services Amendment No. 1 to Agreement No. 74158 with Morrison Management Specialists, Inc., dba Morrison Healthcare Inc., (Morrison) to add concession cafeteria services at LAC+USC Medical Center's General Hospital and Women's and Children's Hospital, and extend the term of the Agreement effective April 1, 2008 through March 31, 2009, for an estimated net cost of \$10,333,095.
2. Delegate authority to the Director of Health Services (Director) to extend the term of the Agreement on a month-to-month basis, under the same terms and conditions for a period of 12 additional months to and including March 31, 2010 for an estimated net cost of \$10,333,095.
3. Delegate authority to the Director to increase the maximum obligation by an additional annual amount of up to \$309,993 (or 3 percent of the annual budget) to make any adjustments that may need to be made related to the move to the Replacement Facility.
4. Delegate authority to the Director to revise the Agreement and any related Exhibits, to allow for necessary changes to the scope of services which may be required as a result of moving to the Replacement Facility, following approval by County Counsel.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will allow for the continued provision of dietary services at LAC+USC Medical Center (LAC+USC) and will add the concession cafeteria services to the dietary Agreement with Morrison, substantially similar to Exhibit I. The current dietary services Agreement at LAC+USC expires on March 31, 2008. The current contracts for concession cafeteria services at LAC+USC, one for General Hospital (General) and one for Women's and Children's Hospital (WCH), are administered under Chief Executive Office (CEO) agreements.

The purpose of extending this contract through March 2010 is to allow the Department of Health Services (DHS) to gain sufficient experience with the provision of dietary and concession cafeteria services at the Replacement Facility prior to developing a Request for Proposals (RFP) to re-solicit these services. Delegated authority is requested in the event that additional services, e.g. clinical nutrition services, may be needed during the extension to meet the needs of the Medical Center upon the move to the Replacement Facility to comply with various State and federal regulations. The CEO concession cafeteria contracts are being added to the dietary contract to administratively streamline and facilitate the provision of both dietary and concession services at the Replacement Facility.

DHS has been contracting for dietary services under provisions of County code 2.121.250 et seq., "Contracting with Private Businesses" (Prop A), since October 1984. Dietary services are an integral part of the legitimate activities which must be provided by a hospital to perform its healthcare functions. Contracting under Prop A guidelines continues to be cost effective and operationally feasible for the provision of dietary services. Concession cafeteria services are contracted under the authority of Government Code Section 25536.

FISCAL IMPACT/FINANCING

The estimated annual cost effective April 1, 2008 through March 31, 2009, is \$10,333,095. Funds are available in LAC+USC's Fiscal Year 2007-08 Final Budget and will be requested in future fiscal years. Any increase implemented under delegated authority will be funded within existing resources.

The annual cost is net of an estimated \$2,538,100 in gross revenue, excluding sales tax, that Morrison anticipates receiving from cafeteria concession sales. In addition, Morrison will credit LAC+USC 9 percent of any additional gross revenue, less sales tax, that they receive in excess of that amount.

Honorable Board of Supervisors
March 18, 2008
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FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 21, 1995, your Board approved an Agreement with Morrison for the provision of dietary services at LAC+USC effective through December 31, 2002. DHS released an RFP in June 2001. Morrison was the selected contractor to provide services under a new agreement effective October 1, 2002 through September 30, 2007, with authority to extend for up to six months through March 31, 2008.

On July 30, 2002, your Board approved concession agreements for various food service concession operations which included two agreements with Morrison for General and WCH. The concession cafeteria agreements are currently administered by the CEO.

Under the recommended Amendment, Morrison will continue to provide a monthly range of meals from 85,000 to 105,000.

Dietary and concession services will continue to be provided in their current locations at General and WCH until the Replacement Facility opens. To accommodate the employees who will continue to work in General and the Outpatient Department the cafeteria in General will continue to operate albeit at reduced hours.

The Amendment contains the most updated language, including Assignment and Delegation and Contractor Responsibility and Debarment.

The Amendment also includes the latest cost of living adjustment (COLA) language and Living Wage Ordinance rates.

Contract monitoring functions are performed by administrative staff at LAC+USC.

County Counsel has approved the Amendment (Exhibit I) as to form.

CONTRACTING PROCESS

Once the Replacement Facility has been in operation for a full year, DHS will initiate development of a new RFP.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of these actions will provide for the continued provision of dietary and concession cafeteria services at LAC+USC.

Honorable Board of Supervisors
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CONCLUSION

When approved, DHS needs three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. T. Fujioka', with a horizontal line extending to the right.

WILLIAM T FUJIOKA
Chief Executive Officer

DEJ:SRH:SAS
MLM:DH:bjs

Attachments (2)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

031808_DHS_Cafeteria

SUMMARY OF AGREEMENT AMENDMENT

1. TYPE OF SERVICE:

Dietary and Concession Cafeteria Services at LAC+USC Medical Center.

2. AGENCY ADDRESS AND CONTACT PERSON:

Morrison Management Specialists, Inc.
1727 Axenty Way
Redondo Beach, CA 90278
Attn: Edward Clark
Telephone No. (310) 798-4017

3. TERM OF AGREEMENT:

Agreement No. 74158 Amendment No. 1 will be effective April 1, 2008 through March 31, 2009, with delegated authority to continue through March 31, 2010.

4. FINANCIAL INFORMATION:

The estimated annual cost effective April 1, 2008 through March 31, 2009, is \$10,333,095. Funds are available in LAC+USC's Fiscal Year 2007-08 Final Budget and will be requested in future fiscal years. Any increase implemented under delegated authority will be funded within existing resources.

The annual cost is net of an estimated \$2,538,100 in gross revenue, excluding sales tax, that Morrison anticipates receiving from cafeteria concession sales. In addition, Morrison will credit LAC+USC 9% of any additional gross revenue, less sales tax, that they receive in excess of that amount.

5. GEOGRAPHIC AREA TO BE SERVED:

1ST District.

6. ACCOUNTABLE FOR MONITORING:

Administrative Staff at LAC+USC.

7. APPROVALS:

Chief Executive Officer: Pete Delgado

Contracts and Grants: Cara O'Neill, Chief

County Counsel (approval as to use): Sharon A. Reichman, Principal Deputy

Contract No. 74158-1

DIETARY SERVICES AGREEMENT

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this 25TH day
of MARCH, 2008,

by and between the

COUNTY OF LOS ANGELES
(hereafter "County")

and

MORRISON MANAGEMENT
SPECIALISTS INC., dba
MORRISON HEALTH CARE, INC.
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "DIETARY SERVICES AGREEMENT", dated September 17, 2002, and further identified as County Agreement No. 74158, (hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to amend Agreement to extend its term and to make the changes described hereinafter; and

WHEREAS, Contractor is hereby authorized to sell food, beverages and sundry items within the confines of the LAC+USC Medical Center's General Hospital cafeteria and Women's and Children's Hospital cafeteria; and

WHEREAS, a concession for the sale of food and beverage is consistent with said purposes; and

WHEREAS, the Board of Supervisors is authorized by the provisions of Government Code 25536 to grant concessions therein that are consistent with the government purposes served thereby; and

WHEREAS, during the extended term of this Agreement, patient care services will be transferred from General Hospital and Women's and Children's Hospital to the Replacement Facility; and

WHEREAS, County requires dietary services to be provided in the Replacement

17 of MARCH 25, 2008

74158
Supplement No. 1

Facility and concession cafeteria services at General Hospital and the Replacement Facility; and

WHEREAS, said Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall become effective April 1, 2008.
2. Any references to Alhambra Health Center, Azusa Health Center and Pico Rivera Health Center as stated in the Agreement shall be deleted in their entirety.
3. Exhibit H shall be deleted in its entirety.
4. Exhibit I shall be deleted in its entirety.
5. Exhibit A-1, Statement of Work for Concession Cafeteria Services, attached herein as reference shall be added to the Agreement.
6. Exhibits K through O, attached herein as reference, shall be added to the Agreement.
7. Any references to Schedule 1 shall now also refer to Schedule 2, attached herein as reference.
8. Paragraph 1.0, TERM, of the body of the Agreement shall be replaced as follows:

“1.0. TERM:

- 1.1 This Agreement shall become effective on October 1, 2002 and shall continue in full force and effect to and including March 31, 2009. The term of the Agreement may be extended by Director beyond the stated expiration date of March 31, 2009, on a month-to-month basis, for a period not to exceed twelve (12) months, upon the mutual consent of the parties.”
- 1.2 Notwithstanding any other provision of this Agreement, Director may suspend this Agreement immediately if Contractor, its agents, subcontractors, or employees are engaging in, or there is a reasonable justification to believe that Contractor, its agents,

subcontractors, or employees may be engaging in, a continuing course of conduct which poses an imminent danger to the life or health of patients or clients receiving or requesting services from it. Notification of any such suspension shall be in writing.

The suspension notice shall state in detail the reason(s) for the suspension, as well as the length of the suspension (not to exceed forty-five days from the date the notice is received by Contractor). If it appears to Director that the course of conduct precipitating the suspension justifies the Agreement's termination, Director shall proceed pursuant to the applicable termination provision of the Agreement.

1.3 In the event that this Agreement is terminated the procedures to be followed by the parties with respect to the submittal of the termination claim and invoice, the negotiation of a final termination settlement, and the retention of records shall be those set forth in Paragraph 39.0 (Termination for Convenience).

1.4 In the event of the expiration or prior termination of this Agreement, Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method County determines to be in County's best interest."

9. Paragraph 31, DELEGATION AND ASSIGNMENT, of the body of the Agreement shall be revised as follows:

"31.0 ASSIGNMENT AND DELEGATION

31.1 Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Sub-paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on

any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which Contractor may have against County.

31.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

31.3 If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

10. Paragraph 49.0, CONTRACTOR'S WILLINGNESS TO CONSIDER COUNTY'S EMPLOYEES FOR EMPLOYMENT, of the body of the Agreement shall be revised as follows:

"49.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST:

Should Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth

herein, Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement."

11. Paragraph 63.0, CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT, of the body of the Agreement shall be revised as follows:

"63.0 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS: Should Contractor require additional or replacement personnel after the effective date of this Agreement, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence ("GAIN") Program or General Relief Opportunity for Work ("GROW") Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority."

12. Paragraph 64.0, CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT, of the body of the Agreement shall be deleted in its entirety.

13. Paragraph 65.0, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, of the body of the Agreement shall be revised as follows:

"65.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 66.0, "Contractor's Warranty of Adherence to County's Child Support Compliance Program", shall

constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 38.0, "Termination for Default", and pursue debarment of Contractor, pursuant to County Code Chapter 2.202."

14. Paragraph 66.0, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, shall be revised as follows:

"66.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

- 66.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through Agreement are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.
- 66.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 10.88.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b)."

15. Paragraph 70.0, COMPLIANCE WITH LIVING WAGE PROGRAM, of the body of the Agreement shall be revised as follows:

"70.0 COMPLIANCE WITH LIVING WAGE PROGRAM:

70.1 Living Wage Program:

This Agreement is subject to the provisions of the County's ordinance entitled Living Wage Program as codified in Sections 2.201.010 through 2.201.100 of the Los Angeles County Code, a copy of which is attached as Exhibit M and incorporated by reference into and made a part of this Agreement.

70.2 Payment of Living Wage Rates.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not an "Employer" as defined under the Program (Section 2.201.020 of the County Code) or that Contractor qualifies for an exception to the Living Wage Program (Section 2.201.090 of the County Code), Contractor shall pay its Employees no less than the applicable hourly living wage rate, as set forth immediately below, for the Employees' services provided to County, including, without limitation, "Travel Time" as defined below at subsection 5 of this Subparagraph under the Agreement:

- a. Not less than \$11.84 per hour if, in addition to the per-hour wage, Contractor contributes less than \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents; or
- b. Not less than \$9.64 per hour if, in addition to the per-hour wage, Contractor contributes at least \$2.20 per hour towards the provision of bona fide health care benefits for its Employees and any dependents. Contractor will be deemed to have contributed \$2.20 per hour towards the provision of bona fide health care benefits if the benefits are provided through the County Department of Health Services Community Health Plan. If, at any time during the Agreement, Contractor

contributes less than \$2.20 per hour towards the provision of bona fide health care benefits, Contractor shall be required to pay its Employees the higher hourly living wage rate.

2. For purposes of this sub-paragraph, "Contractor" includes any subcontractor engaged by Contractor to perform services for County under the Agreement. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor shall be subject to the provisions of this sub-paragraph. The provisions of this sub-paragraph shall be inserted into any such subcontract and a copy of the Living Wage Program shall be attached to the subcontract. "Employee" means any individual who is an employee of Contractor under the laws of California, and who is providing full-time services to Contractor, some or all of which are provided to County under the Agreement. "Full-time" means a minimum of 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by County; however, fewer than 35 hours worked per week will not, in any event, be considered full-time.
3. If Contractor is required to pay a living wage when the Agreement commences, Contractor shall continue to pay a living wage for the entire term of the Agreement, including any option period.
4. If Contractor is not required to pay a living wage when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exemption status" from the living wage requirement. Contractor shall immediately notify County if Contractor at any time either comes within the Living Wage Program's definition of "Employer" or if Contractor no longer qualifies for an exception to the Living Wage Program. In either event, Contractor shall immediately be required to commence

paying the living wage and shall be obligated to pay the living wage for the remaining term of the Agreement, including any option period. County may also require, at any time during the Agreement and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Living Wage Program's definition of "Employer" and/or that Contractor continues to qualify for an exception to the Living Wage Program. Unless Contractor satisfies this requirement within the time frame permitted by County, Contractor shall immediately be required to pay the living wage for the remaining term of the Agreement, including any option period.

5. For purposes of the Contractor's obligation to pay its Employees the applicable hourly living wage rate under this Agreement, "Travel Time" shall have the following two meanings, as applicable: 1) With respect to travel by an Employee that is undertaken in connection with this Agreement, Travel Time shall mean any period during which an Employee physically travels to or from a County facility if Contractor pays the Employee any amount for that time or if California law requires Contractor to pay the Employee any amount for that time; and 2) With respect to travel by an Employee between County facilities that are subject to two different Agreements between Contractor and County (of which both Agreements are subject to the Living Wage Program), Travel Time shall mean any period during which an Employee physically travels to or from, or between such County facilities if Contractor pays the Employee any amount for that time or if California law requires Contractor to pay the Employee any amount for that time.

70.3 Contractor's Submittal of Certified Monitoring Reports.

Contractor shall submit to County certified monitoring reports at a

frequency instructed by County. The certified monitoring reports shall list all of the Contractor's Employees during the reporting period. The certified monitoring reports shall also verify the number of hours worked, the hourly wage rate paid, and the amount paid by Contractor for health benefits, if any, for each of its Employees. The certified monitoring reports shall also state the name and identification number of the Contractor's current health care benefits plan, and the Contractor's portion of the premiums paid as well as the portion paid by each Employee. All certified monitoring reports shall be submitted on forms provided by County (Exhibit K and Exhibit L), or other form approved by County which contains the above information. County reserves the right to request any additional information it may deem necessary. If County requests additional information, Contractor shall promptly provide such information. Contractor, through one of its officers, shall certify under penalty of perjury that the information contained in each certified monitoring report is true and accurate.

70.4 Contractor's Ongoing Obligation to Report Labor Law/ Payroll Violations and Claims

During the term of the Agreement, if Contractor becomes aware of any labor law/payroll violation or any complaint, investigation or proceeding ("claim") concerning any alleged labor law/payroll violation (including but not limited to any violation or claim pertaining to wages, hours and working conditions such as minimum wage, prevailing wage, living wage, the Fair Labor Standards Act, employment of minors, or unlawful employment discrimination), Contractor shall immediately inform County of any pertinent facts known by Contractor regarding same. This disclosure obligation is not limited to any labor law/payroll violation or claim arising out of the Contractor's Agreement with County, but instead applies to any labor law/payroll violation or claim arising out

of any of the Contractor's operations in California.

70.5 County Auditing of Contractor Records.

Upon a minimum of twenty-four (24) hours' written notice, County may audit, at the Contractor's place of business, any of the Contractor's records pertaining to the Agreement, including all documents and information relating to the certified monitoring reports. Contractor is required to maintain all such records in California until the expiration of four (4) years from the date of final payment under the Agreement. Authorized agents of County shall have access to all such records during normal business hours for the entire period that records are to be maintained.

70.6 Notifications to Employees.

Contractor shall place County-provided living wage posters at each of the Contractor's places of business and locations where the Contractor's Employees are working. Contractor shall also distribute County-provided notices to each of its Employees at least once per year. Contractor shall translate posters and handouts into Spanish and any other language spoken by a significant number of Employees.

70.7 Enforcement and Remedies.

If Contractor fails to comply with the requirements of this sub-paragraph, County shall have the rights and remedies described in this sub-paragraph in addition to any rights and remedies provided by law or equity.

1. Remedies for Submission of Late or Incomplete Certified Monitoring Reports. If Contractor submits a certified monitoring report to County after the date it is due or if the report submitted does not contain all of the required information or is inaccurate or is not properly certified, any such deficiency shall constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following

rights/remedies:

- a. Withholding of Payment. If Contractor fails to submit accurate, complete, timely and properly certified monitoring reports, County may withhold from payment to Contractor up to the full amount of any invoice that would otherwise be due, until Contractor has satisfied the concerns of County, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to submit an accurate, complete, timely and properly certified monitoring report will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, in the event that a certified monitoring report is deficient, including but not limited to being late, inaccurate, incomplete or uncertified, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages in the amount of \$100 per monitoring report for each day until County has been provided with a properly prepared, complete and certified monitoring report. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.
- c. Termination. The Contractor's continued failure to submit accurate, complete, timely and properly certified monitoring reports may constitute a material breach of the Agreement. In

the event of such material breach, County may, in its sole discretion, terminate the Agreement.

2. Remedies for Payment of Less Than the Required Living Wage. If Contractor fails to pay any Employee at least the applicable hourly living wage rate, such deficiency shall constitute a breach of the Agreement. In the event of any such breach, County may, in its sole discretion, exercise any or all of the following rights/remedies:

- a. Withholding Payment. If Contractor fails to pay one or more of its Employees at least the applicable hourly living wage rate, County may withhold from any payment otherwise due Contractor the aggregate difference between the living wage amounts Contractor was required to pay its Employees for a given pay period and the amount actually paid to the employees for that pay period. County may withhold said amount until Contractor has satisfied County that any underpayment has been cured, which may include required submittal of revised certified monitoring reports or additional supporting documentation.
- b. Liquidated Damages. It is mutually understood and agreed that the Contractor's failure to pay any of its Employees at least the applicable hourly living wage rate will result in damages being sustained by County. It is also understood and agreed that the nature and amount of the damages will be extremely difficult and impractical to fix; that the liquidated damages set forth herein are the nearest and most exact measure of damages for such breach that can be fixed at this time; and that the liquidated damages are not intended as a penalty or forfeiture for the Contractor's breach. Therefore, it is agreed that County may, in its sole discretion, assess against Contractor liquidated damages of \$50 per Employee

per day for each and every instance of an underpayment to an Employee. County may deduct any assessed liquidated damages from any payments otherwise due Contractor.

c. Termination. The Contractor's continued failure to pay any of its Employees the applicable hourly living wage rate may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

3. Debarment. In the event Contractor breaches a requirement of this sub-paragraph, County may, in its sole discretion, bar Contractor from the award of future County Agreements for a period of time consistent with the seriousness of the breach, in accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment.

70.8 Use of Full-Time Employees.

Contractor shall assign and use full-time Employees of Contractor can demonstrate to the satisfaction of County that it is necessary to use non-full-time Employees based on staffing efficiency or County requirements for the work to be performed under the Agreement. It is understood and agreed that Contractor shall not, under any circumstance, use non-full-time Employees for services provided under the Agreement unless and until County has provided written authorization for the use of same. Contractor submitted with its proposal a full-time Employee staffing plan. If Contractor changes its full-time Employee staffing plan, Contractor shall immediately provide a copy of the new staffing plan to County.

70.9 Contractor Retaliation Prohibited.

Contractor and/or its Employees shall not take any adverse action which would result in the loss of any benefit of employment, any Agreement benefit, or any statutory benefit for any Employee,

person or entity who has reported a violation of the Living Wage Program to County or to any other public or private agency, entity or person. A violation of the provisions of this sub-paragraph may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement.

70.10 Contractor Standards.

During the term of the Agreement, Contractor shall maintain business stability, integrity in employee relations and the financial ability to pay a living wage to its employees. If requested to do so by County, Contractor shall demonstrate to the satisfaction of County that Contractor is complying with this requirement.

70.11 Neutrality in Labor Relations

Contractor shall not use any consideration received under the Agreement to hinder, or to further, organization of, or collective bargaining activities by or on behalf of the Contractor's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining Agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act."

16. Paragraph 71.0, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the body of the Agreement shall be revised as follows:

"71.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT:

71.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily

perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.

71.2 Chapter 2.202 of the County Code

Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other Agreements which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Agreements Contractor may have with County.

71.3 Non-responsible Contractor

County may debar a Contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated a term of an Agreement with County or a nonprofit corporation created by County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform an Agreement with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

71.4 Contractor Hearing Board

1. If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed

- debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
 3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
 4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the

debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

71.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.”

17. Paragraph 75, NOTICES, shall be revised as follows:

“75. NOTICES:

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits N - County's Administration and O - Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The Department Head or his /her designee shall have the authority to issue all notices or demands required or permitted by the County under this Agreement.”

18. Paragraph 76.0, CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW, shall be added to the Agreement as follows:

“76.0 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW:

Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County's Department of Children and Family Services will supply Contractor with the poster to be used.”

19. Paragraph 77.0, BUDGET REDUCTIONS, shall be added to the Agreement as follows:

“77.0 BUDGET REDUCTIONS: In the event that the County's Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County

Agreements, County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of the Agreement (including any extensions), and the services to be provided by Contractor under this Agreement shall also be reduced correspondingly. The County's notice to Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, Contractor shall continue to provide all of the services set forth in this Agreement."

20. Paragraph 78.0, FORCE MAJEURE, shall be added to Agreement to read as follows:

"78.0 FORCE MAJEURE:

78.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this sub-paragraph as "force majeure events").

78.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this sub-paragraph,

the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

78.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.”

21. Exhibit A, Paragraph 1.2, Definitions, Sub-paragraph 1.2.6, Ordinance Meals shall be revised as follows:

“1.2.6 Ordinance Meals

Ordinance Meals are fully subsidized designated meal(s): (1) which are provided for breakfast, lunch and dinner, seven days per week, to persons authorized for ordinance meals by the Executive Director in accordance with Medical Center's Ordinance Meal policy and MOU required Late Night Meals provided to Interns and Residents on the night shift in the Cafeteria, (2) for which Contractor shall not receive any payment or other compensation directly from the recipient, but for which Contractor shall receive compensation from County as described in this Agreement.”

22. Exhibit B, Paragraph 1.0, COUNTY'S PAYMENT, Sub-paragraphs 1.1, 1.2., and 1.3 shall be revised to read as follows:

“1.0 County's Payment:

1.1 County's payments to Contractor for its performance hereunder shall be made monthly in arrears on the basis of one twelfth of the Contractor's Contract Year Budget (Schedules 1 and 2), plus the actual costs and handling fee for incidental food and supplies for patient-related purposes, special function meals, sales tax, and equipment maintenance and repair services during the term of this Agreement, less any credits due to County from Contractor as described in this Exhibit B, subject to the payment computation methodologies and adjustments for contingencies described below.

1.2 The monthly charge to the County for actual meals provided between 85,000 and 105,000 inclusive, per calendar month shall be calculated by dividing by 12, Contractor's Contract Year Budget, Schedule 2, attached hereto and incorporated herein by reference. This monthly charge will be hereafter referred to as the Basic Monthly Charge. In the event that the total actual number of meals provided in a calendar month is less than 85,000, or greater than 105,000, the monthly charge to the County for that month shall be the Basic Monthly Charge less the Fee Credit or plus the Incremental Fees as indicated in Paragraph 6.0 below and in Schedule 2.

1.3 After the end of each calendar month, Contractor shall bill County for Contractor's Basic Monthly Charge for such calendar month. No invoice shall be approved for payment unless the following is included: Exhibit K – Monthly Certification for Applicable Health Benefit Payments (if applicable) and Exhibit L – Payroll Statement of Compliance. All invoices shall be submitted in duplicate to the Finance Office of the Medical Center at the following address:

LAC+USC Medical Center
Expenditure Management
2064 Marengo Street
Los Angeles, CA 90033

All invoices submitted by Contractor for payment must have the written approval of the County's Project Manager prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and payment shall be made within thirty (30) days following receipt of a complete and correct invoice.

After the end of each calendar month, Contractor shall bill County for Incremental Fees (as set forth in Paragraph 6.0 below), if any, for such calendar month. Any bill for Incremental Fees shall be due and payable

by County within thirty (30) days of receipt of a complete and correct billing. Fee Credits, if any, shall be deducted from the Basic Monthly Charge.”

23. Exhibit B, Paragraph 2.4, MEAL DEFINITIONS, shall be revised as follows:

“2.4 Ordinance meals (i.e., breakfast, lunch and dinner) as established by the number of persons authorized for fully subsidized meals who receive ordinance meals through the Medical Center’s meal patron accountability system and/or Ordinance and MOU required late night meals provided to interns and residents on the night shift.”

24. Exhibit B, Paragraph 6.0 MEAL VARIANCES, Sub-Paragraphs 6.1 and 6.2 shall be revised as follows:

“6.1 In addition to the Basic Monthly Charge, if during any calendar month the total number of meals provided is greater than 85,000 to 105,000 inclusive; County will pay, for that calendar month, an incremental fee per meal for each meal provided above 105,001 to 110,000 inclusive as shown on Schedule 2.

In addition, if during any calendar month the total number of meals provided is greater than 110,000 County will pay, for that calendar month, an incremental fee per meal for each meal provided above 110,000 as shown on Schedule 2.

6.2 If during any calendar month, the total number of meals provided falls below 85,000, Contractor shall credit County, for that calendar month, an amount equal to the Fee Credit per meal, as shown on Schedule 2, multiplied by the difference between 85,000 and the total number of actual meals provided.”

25. Exhibit B, Paragraph 7.0 INFLATION ADJUSTMENTS AND CONTRACTORS’ FUTURE YEAR BUDGETS, shall be replaced as follows:

“7.0 COST OF LIVING ADJUSTMENTS (COLAs):

The Agreement (hourly, daily, monthly, etc.) amount may be adjusted annually based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics’ Consumer Price Index (“CPI”) for the

Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the Agreement anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the Chief Administrative Office as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries; no cost of living adjustments will be granted. Where the County decides to grant a cost of living adjustment ("COLA") pursuant to this paragraph for Agreement option years, it may, in its sole discretion exclude the cost of labor (including the cost of wages and benefits paid to employees providing services under this Agreement) from the base upon which a COLA is calculated, unless the Contractor can show that his/her labor cost increased. COLAs shall not be applied to facility alterations and repairs, equipment costs, depreciation, special function meal expense, incidental food and supplies expense, general and administrative costs, profit and sales tax expenses as shown in Schedule 2. Inflation adjustment and Contractor's future Agreement year budgets must be requested in writing along with supporting documentation to the Chief, Contracts and Grants Division, and the Chief Executive Officer at the Medical Center. The request must be submitted sixty (60) days prior to the end of each Agreement year for the following Agreement year."

26. Exhibit B, Paragraph 8.0, COST SAVINGS, shall be revised as follows

"8.0 COST SAVINGS: During the term of this Agreement, Contractor agrees to share with County any cost savings by an 85% return on such savings to County and a 15% return to Contractor. Such determination of cost savings shall be based on Contractor's provision of an accurate and complete accounting of actual costs for each Agreement Year which may be subject to review by County. Contractor's actual costs shall be computed using the accrual basis of accounting. The cost savings

amount for any Agreement Year shall be the difference between (1) the total actual costs incurred by Contractor within the particular Agreement Year for all of the cost categories which comprise Contractor's Agreement Year Budget as shown in Schedule 2, excluding special functions meals expense, incidental food and supplies expenses, sales tax liability, equipment costs, facility alterations and repairs, and (2) the total of Contractor's Budget for the same Agreement Year for these same cost categories, less any fee credits per calendar month for the Agreement Year, plus any incremental fees per calendar month for the Agreement Year. Contractor's payment to County for cost savings, or credit billings, if any, shall be made within thirty (30) days after the particular Agreement Year end or following the County and Contractor determination of such cost savings, whichever occurs later."

27. Exhibit B, Paragraph 10.0, SALES TAX LIABILITY ON NON-PATIENT MEALS, shall be revised as follows:

"10.0 SALES TAX LIABILITY: Except as otherwise provided elsewhere in this Agreement, County shall have no liability or responsibility for any taxes, including, but not limited to, sales, income, and/or property taxes, which may be imposed in connection with or resulting from this Agreement or Contractor's performance hereunder, and Contractor shall have liability and responsibility for all such taxes, including, but not limited to, sales taxes on non-patient fully subsidized ordinance meals and partially subsidized meals.

Without limiting Contractor liability and responsibility for all sales tax for such non-patient fully subsidized meals and for all concession food sales, as applicable, County shall reimburse Contractor in arrears for such sales tax amounts Contractor has paid to the State on non-patient fully subsidized ordinance meals as shown in Schedule 2."

28. Paragraph 12.0, NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT, shall be added to Exhibit B, as follows:

"12.0 No Payment for Services Provided Following Expiration Termination of Agreement: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover payment from Contractor. This provision shall survive the expiration or other termination of this Agreement."

29. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Chair and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: *George B. Bente*
Chair, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer of the Board of
Supervisors of the County of
Los Angeles

MORRISON MANAGEMENT SPECIALISTS,
INC., dba MORRISON HEALTH CARE, INC.
Contractor

By: *Edgar C. Carr*
Title: Regional UP

By: *[Signature]*
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL:

By: *Sharon A. Reichman*
County Counsel



SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: *[Signature]*
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By: *Cara O'Neill*
Cara O'Neill, Chief
Contracts and Grants Division

Lacamend#1:2/14/08
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ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 MAR 25 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**STATEMENT OF WORK FOR
CONCESSION CAFETERIA SERVICES**

In addition to all other requirements as set forth in this Agreement pertaining to concession cafeteria operations, and except where County is responsible as stated in this Statement of Work, Contractor shall be required to perform the following requirements:

1.0 HOURS AND LOCATIONS OF CONCESSION CAFETERIA

Contractor shall operate a concession cafeteria at the locations and hours as follows:

- 1.1 LAC+USC General Hospital (General): Monday through Friday from 5:50 a.m. to 2:30 a.m. and Saturday and Sunday from 5:50 a.m. to 6:30 p.m.
- 1.2 Women's and Children's Hospital (WCH): Monday through Friday from 6:00 a.m. to 6:00 p.m. and Saturday from 6:30 a.m. to 2:00 p.m. The cafeteria at WCH is closed on Sunday.
- 1.3 Contractor shall keep the concession cafeteria open for service to employees at such other times as may be requested by the Chief Executive Officer of the Medical Center, or his/her designee as agreed upon by both parties. Contractor shall provide concession food, grill and snack items for breakfast, lunch and dinner.
- 1.4 When the Replacement Facility is operational, concession cafeteria services shall be provided in the new facility and at General at hours agreed upon by both parties.
- 1.5 Hours and Locations of Meals to Interns and Residents

When the Replacement Facility is operational, Contractor shall provide meals in the concession cafeteria at the hours requested by the Executive Director of the Medical Center, or designee as agreed upon by both parties. When meal services are provided in the Replacement Facility, they will no longer be provided in General or WCH's Doctor's Dining Rooms, or in WCH's Retail Cafeteria.

Interns and Residents will be entitled to acquire meals in the Replacement Facility as follows:

Breakfast –a meal with a retail value of up to \$5.41 (inclusive of sales tax)

Lunch, Dinner and night -a meal value with a retail value of up to \$7.00 (including sales tax)

The maximum weekly available amount is \$64.00, inclusive of sales tax.

Should a meal be selected with value in excess of the amounts specified above the meal recipient will pay the balance in cash.

- 1.6 Overtime, Chaplain and Volunteer Ordinance Meal Recipients will be entitled to acquire meals in the new hospital as follows:

They will be allowed one meal per day utilizing a value of \$5.94 (inclusive of sales tax).

- 1.7 Partially Subsidized Meals (Staff physicians and Medical Students) users will remit to the cashier (at the time they receive the meal) the following amounts in return for receiving meals (inclusive of sales tax):

Breakfast –County meal ordinance amt

Lunch- County meal ordinance amt

Dinner- County meal ordinance amt

Contractor will credit the amount collected monthly against the monthly invoice.

- 1.8 Sheriffs will be entitled to acquire meals in the new hospital as follows:

Breakfast –a meal with a retail value of up to \$5.41 (inclusive of sales tax)

Lunch and Dinner-a meal a meal value with a retail value of up to \$5.94 (inclusive of sales tax)

- 1.9 Meal Conversion

Retail sales for the above meal recipients will be converted to meals as follows: Net retail sales divided by \$4.31 = 1 meal.

2.0

SPECIFIC CONCESSION OPERATIONAL REQUIREMENTS

Contractor shall operate the cash register(s) and shall collect payment from all persons purchasing concession food in the concession cafeteria.

2.1 Posting of Concession Food Menus and Prices

Contractor shall post menus and prices for all concession food items in areas designated by County.

2.2 Establishment of Prices/Menus

Menus and prices for concession food shall be recommended by Contractor to County and, subject to the mutual agreement of County Contract Manager and/or Medical Center Administrator and Contractor, to changes in any price or any menu.

2.2.1 Range of Service

Contractor's concession food operations shall be full service, i.e., offering hot entrees, cold meals, salads, beverages, snacks, etc.

2.2.2 Cash Register System

Contractor shall account for all concession food sales provided in the concession cafeteria of Medical Center by maintaining daily cash register tapes or digitally stored data for all sales of concession food. Such register(s) shall: (1) publicly display the amount of each sale, (2) automatically issue a dated purchaser receipt or certify the amount recorded on a dated sales slip, (3) have locked in sales totals and transactions counters which are constantly accumulating and which cannot, in either case, be reset, and (4) have a tape located within the cash register(s) or a method of digitally storing transactions and sales details. Contractor shall record the beginning and ending cash register readings and shall separately record the amount of any sales tax or other taxes included in such readings on a daily basis for Medical Center.

3.0 PAYMENT

Contractor shall pay County for the concession and use granted herein, 100% of gross receipts, less applicable sales tax, up to an annual amount of \$2,538,137 credited on a monthly basis and 9% of all gross receipts, less applicable sales tax, over and above that amount annually.

4.0 SANITATION

Contractor shall ensure that no offensive matter or refuse or substance containing an unnecessary, unreasonable or unlawful fire hazard or material detrimental to the public health, be permitted or remain on the concession premises and Contractor shall prevent any accumulation thereof from occurring. Contractor shall, at all times, keep the kitchen, dish room, serving line, equipment and materials located thereon sanitary and free from rubbish, refuse, food scraps, garbage, dust, dirt, flies and other insects, rodents and vermin. All apparatus, appliances, utensils, devices, equipment and piping used by Contractor shall be construed so as to facilitate the cleaning and inspection thereof and shall be thoroughly and properly cleaned after each period of use with hot water and soap, detergents and sterilizing agents and shall be rinsed by flushing with hot water. All trays, dishes, china, crockery, glassware, cutlery and other equipment of such type shall be cleaned by Contractor immediately after use and shall be kept clean until reused. Contractor shall clean all floors and keep free of food and beverage spills. Contractor shall continuously monitor and correct spills in the concession premises during the hours of operation. Contractor shall provide and pay for regular fumigation service in the concession premises. Contractor shall at all times maintain an "A" rating as determined by the Department of Public Health.

5.0 OPERATING RESPONSIBILITIES

5.1 Compliance with Law

Contractor shall conform to and abide by all municipal and County ordinances, State and Federal laws and regulations, insofar as the

same or any of them are applicable; and where permits or licenses are required for the concession or construction authorized herein, the same must be first obtained from the regulatory agency having jurisdiction there over.

5.2 Advertising/Promotional Products

Contractor shall not promulgate nor cause to be distributed any advertising, or promotional materials unless prior approval is obtained from County Project Manager, or designee. Such approval shall not be unreasonably withheld or delayed and shall be deemed to be given if no objection is made within thirty (30) days following the request for approval. Such materials include, but are not limited to, advertising in newspapers, magazines and trade journals, and radio and/or television commercials.

5.3 Illegal Activity

Contractor shall not permit any illegal activities to be conducted upon the concession premises. Concession cafeteria shall not be used for human habitation.

5.4 Signs

Contractor shall not post signs or advertising matter upon the concession premises or improvements thereon, unless prior approval is obtained in writing by the Executive Officer of the Medical Center or his designee.

5.5 Non-Interference

Contractor shall not interfere with the public use of the County building(s) where the Cafeteria(s) are located.

5.6 Concession Staff

Contractor shall ensure that all concession staff abides by the rules of the Medical Center. Contractor shall ensure that one member is designated as the Concession Manager responsible for the daily operation of the concession cafeteria(s).

5.7 Additional Responsibilities

Contractor shall agree to provide the following in the operation of

the concession cafeteria(s):

- 5.7.1 A premium coffee choice(s).
- 5.7.2 Healthy food choice selections on a daily basis.
- 5.7.3 Scattered food service stations to improve traffic flow.
- 5.7.4 A suggestion box.
- 5.7.5 Post menu on the County web site.
- 5.7.6 Post the weekly menu.
- 5.7.7 Theme meals on holidays and occasional promotions.
- 5.7.8 A minimum five (5) week menu cycle.
- 5.7.9 Discounted meal choices for employees.

- 5.8 Contractor shall maintain clear paths of travel at least thirty-six (36) inches wide within the concession premises and keep them clear to the extent possible without moving any fixed equipment or removing any portable equipment or furniture (such as refrigerators, freezers, counters, cash registers, soda machines or display racks).

6.0 PROGRAMMED EVENTS

Contractor shall not promote or sponsor private or public events requiring the use of concession premises. However, this provision shall not prohibit Contractor from generally advertising or encouraging public use of the concession premises.

7.0 TRAINING

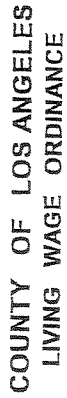
- 7.1 Contractor shall provide training programs for all new employees and continue in-service training for all employees. All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All employees must wear safety and protective gear according to OSHA standards. Within ninety (90) days after the commencement of contract services, Contractor shall plan curricula for and implement the various in-service training responsibilities.
- 7.2 Contractor shall implement an in-service training program to provide

training to all of Contractor skilled and unskilled food service workers at minimum (60) sixty days after commencement of services but no later than ninety (90) days. These training programs shall include on-the-job training programs, short seminars, training visual aids, workshops, vocational programs, and lectures.

- 7.3 Contractor shall provide orientation and health education for food service workers, covering all aspects of food handling, including, but not limited to, personal hygiene, portion control, contamination by bacteria, chemicals, insects, rodents and parasites, proper sanitation and safety procedures, fire and emergency preparedness and other applicable laws. Contractor shall maintain a record of all educational training and note employee attendance.

8.0 QUALITY OF GOODS AND SERVICES

In the event Medical Center determines that any merchandise, and/or food products may be below first-class levels, the County Project Manager, or designee, at their sole discretion, shall have the right to order the improvement of the quality of any such items kept or offered for sale. Contractor shall immediately remove or withdraw from sale any goods or services which may be found objectionable to employees, public welfare or by Medical Center, following receipt of a written notification from County Project Director, or designee



MONTHLY CERTIFICATION FOR APPLICABLE HEALTH BENEFIT PAYMENTS

Instruction Box: Please complete all sections of this form. (Information to complete this form can be obtained from your weekly certified payroll reports) Submit this form with your Certified Payroll Reports to the awarding County department. Be sure to complete and sign the reverse side of this form before submitting.

(1) Name: Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/>		Address: (Street, City, State, Zip)										
(2) Payroll No.:		(4) From payroll period: ____/____/____ to payroll period: ____/____/____										
(6) Department Name:		(8) Contract Name & Number:										
(9) Contractor Health Plan Name(s):		(10) Contractor Health Plan ID Number(s):										
(11) Employee Name, Address & Last 4 digits of SSN	(12) Work Classification	(13) Total Hours Worked Each Week of Monthly Pay Period					(14) Total Aggregate Hours	(15) Employer Paid Health Benefit Hourly Rate	(16) Gross Amount Paid (14x15)	(17) Employee Paid Health Benefit Hourly Rate	(18) Gross Amount Paid (14x17)	(19) Aggregate \$ Health Benefit Paid (16x18)
		1	2	3	4	5						
1												
2												
3												
4												
5												
I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct. Print Authorized Name: _____		Total (This Page) Grand Total (All Pages)										
Authorized Signature: _____		Telephone Number (Include area code) _____ Page: _____ of _____										

**COUNTY OF LOS ANGELES
LIVING WAGE PROGRAM**

PAYROLL STATEMENT OF COMPLIANCE

I, _____, _____
(Name of Owner or Company Representative) (Title)

Do hereby state:

1. That I pay or supervise the payment of the persons employed by _____ on the _____;
(Company or subcontractor Name) (Service, Building or Work Site)
 that during the payroll period commencing on the _____ day of _____, and
(Calendar day of Month) (Month and Year)
 ending the _____ day of _____ all persons employed on said work site
(Calendar day of Month) (Month and Year)
 have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of _____
(Company Name)

from the full weekly wages earned by any person and that no deductions have been made either directly or in directly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

2. That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for employees contained therein are not less than the applicable County of Los Angeles Living Wage rates contained in the contract.
3. That:
- A. WHERE FRINGE (Health) BENEFITS ARE PAID TO APPROVED PLANS, FUNDS OR PROGRAMS
- ☐ In addition to the basic hourly wage rates paid to each employee listed in the above referenced payroll, payments of health benefits as required in the contract have been or will be paid to appropriate programs for the benefit of such employees.
- B. WHERE FRINGE (Health) BENEFITS ARE PAID IN CASH
- ☐ Each employee listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the applicable amount of the required County of Los Angeles Living Wage hourly rate as listed in the contract.

I have reviewed the information in this report and as company owner or authorized agent for this company, I sign under penalty of perjury certifying that all information herein is complete and correct.

Print Name and Title

Owner or Company Representative Signature:

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. IN ADDITION, THE CONTRACTOR OR SUBCONTRACTOR MAY BE SUSPENDED AND PRECLUDED FROM BIDDING ON OR PARTICIPATING IN ANY COUNTY CONTRACT OR PROJECT FOR A PERIOD OF THREE (3) YEARS.

Title 2 ADMINISTRATION
Chapter 2.201 LIVING WAGE PROGRAM

Page 1 of 5

2.201.010 Findings.

The board of supervisors finds that the county of Los Angeles is the principal provider of social and health services within the county, especially to persons who are compelled to turn to the county for such services. Employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the county of Los Angeles. (Ord. 2007-0011 § 1, 2007: Ord. 99-0048 § 1 (part), 1999.)

2.201.020 Definitions.

The general definitions contained in Chapter 2.02 shall be applicable to this chapter unless inconsistent with the following definitions:

- A. "County" includes the county of Los Angeles, any county officer or body, any county department head, and any county employee authorized to enter into a Proposition A contract or a cafeteria services contract with an employer.
- B. "Employee" means any individual who is an employee of an employer under the laws of California, and who is providing full time services to an employer, some or all of which are provided to the county of Los Angeles under a Proposition A contract, or under a cafeteria services contract at a county of Los Angeles owned or leased facility.
- C. "Employer" means:
1. An individual or entity who has a contract with the county:
 - a. For services which is required to be more economical or feasible under Section 44.7 of the Charter of the county of Los Angeles, and is not listed as an excluded contract in Section 2.121.250 B of the Los Angeles County Code, referred to in this chapter as a "Proposition A contract," or
 - b. For cafeteria services, referred to in this chapter as a "cafeteria services contract," and
 - c. Who has received or will receive an aggregate sum of \$25,000.00 or more in any 12 month period under one or more Proposition A contracts and/or one or more cafeteria services contracts; or
 2. An individual or entity that enters into a subcontract with an employer, as defined in subsection C1 and who employs employees to provide services under the employer's contract with the county.
- D. "Full time" means a minimum 40 hours worked per week, or a lesser number of hours, if the lesser number is a recognized industry standard and is approved as such by the chief administrative officer, but in no event less than 35 hours worked per week.
- E. "Proposition A contract" means a contract governed by Title 2, Section 2.121.250 et seq. of this code, entitled Contracting with Private Business. (Ord. 2007-0011 § 2, 2007: Ord. 99-0048 § 1 (part), 1999.)

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2.201.030 Prospective effect.

This chapter shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments the terms of which commence three months or more after the effective date of this chapter.* It shall not be applicable to Proposition A contracts or cafeteria services contracts or their amendments in effect before this chapter becomes applicable. (Ord. 99-0048 § 1 (part), 1999.)

* Editor's note: Ordinance 99-0048, which enacted Ch. 2.201, is effective on July 22, 1999.

2.201.040 Payment of living wage.

A. Employers shall pay employees a living wage for their services provided to the county of no less than the hourly rates set under this chapter. The rates shall be \$9.64 per hour with health benefits, or \$11.84 per hour without health benefits.

B. To qualify for the living wage rate with health benefits, an employer shall pay at least \$2.20 per hour towards the provision of bona fide health care benefits for each employee and any dependents during the term of a Proposition A contract or a cafeteria services contract. Proof of the provision of such benefits must be submitted to the county for evaluation during the procurement process to qualify for the lower living wage rate in subsection A of this section. Employers who provide health care benefits to employees through the county department of health services community health plan are deemed to have qualified for the lower living wage rate in subsection A of this section.

C. The board of supervisors may, from time to time, adjust the amounts specified in subsections A and B of this section, above for future contracts. Any adjustments to the living wage rate specified in subsections A and B that are adopted by the board of supervisors shall be applicable to Proposition A contracts and cafeteria services contracts and their amendments which become effective three months or more after the effective date of the ordinance that adjusts the living wage rate. (Ord. 2007-0011 § 3, 2007; Ord. 99-0048 § 1 (part), 1999.)

2.201.050 Other provisions.

A. Full Time Employees. An employer shall assign and use full time employees to provide services under a Proposition A contract or a cafeteria services contract, unless the employer can demonstrate to the county the necessity to use non-full time employees based on staffing efficiency or the county requirements of an individual job.

B. Neutrality in Labor Relations. An employer shall not use any consideration received under a Proposition A contract or a cafeteria services contract to hinder, or to further, organization of, or collective bargaining activities by or on behalf of an employer's employees, except that this restriction shall not apply to any expenditure made in the course of good faith collective bargaining, or to any expenditure pursuant to obligations incurred under a bona fide collective bargaining agreement, or which would otherwise be permitted under the provisions of the National Labor Relations Act.

C. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter. The chief administrative officer in conjunction

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with the affirmative action compliance officer shall issue written instructions on the implementation and on-going administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

D. Compliance Certification. An employer shall, during the term of a Proposition A contract, or a cafeteria services contract, report for each employee and certify the hours worked, wages paid, and amounts the employer paid for health benefits, and provide other information deemed relevant to the enforcement of this chapter by the county. Such reports shall be made at the times and in the manner set forth in instructions issued by the chief administrative officer in conjunction with the affirmative action compliance officer. The affirmative action compliance officer in conjunction with the chief administrative officer shall report annually to the board of supervisors on contractor compliance with the provisions of this chapter.

E. Contractor Standards. An employer shall demonstrate during the procurement process and for the duration of a Proposition A contract or a cafeteria services contract a history of business stability, integrity in employee relations, and the financial ability to pay a living wage. (Ord. 99-0048 § 1 (part), 1999.)

2.201.060 Employer retaliation prohibited.

No employer shall take an adverse action causing a loss of any benefit of employment, of any contract benefit, or any statutory benefit to any employee, person, or other entity, who has reported a violation of this chapter to the board of supervisors or to one or more of their offices, to the county chief administrative officer, or to the county auditor controller, or to the county department administering the Proposition A contract or cafeteria services contract. (Ord. 99-0048 § 1 (part), 1999.)

2.201.070 Employee retention rights.

In the event that any Proposition A contract or cafeteria service contract is terminated by the county prior to its expiration, any new contract with a subsequent employer for such services shall provide for the employment of the predecessor employer's employees as provided in this section.

A. A "retention employee" is an employee of a predecessor employer:

1. Who is not an exempt employee under the minimum wage and maximum hour exemptions defined in the federal Fair Labor Standards Act;
2. Who has been employed by an employer under a predecessor Proposition A contract or a predecessor cafeteria services contract for at least six months prior to the date of a new contract; and
3. Who is or will be terminated from his or her employment as a result of the county entering into a new contract.

B. Subsequent employers shall offer employment to all retention employees who are qualified for such jobs.

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C. A subsequent employer is not required to hire a retention employee who:

1. Has been convicted of a crime related to the job or his or her job performance; or
2. Fails to meet any other county requirement for employees of a contractor.

D. A subsequent employer may not terminate a retention employee for the first 90 days of employment under a new contract, except for cause. Thereafter a subsequent employer may retain a retention employee on the same terms and conditions as the subsequent employer's other employees. (Ord. 99-0048 § 1 (part), 1999.)

2.201.080 Enforcement and remedies.

For violation of any of the provisions of this chapter:

A. An employee may bring an action in the courts of the state of California for damages caused by an employer's violation of this chapter.

B. The county department head responsible for administering a Proposition A contract or a cafeteria services contract may do one or more of the following in accordance with such instructions as may be issued by the chief administrative officer:

1. Assess liquidated damages as provided in the contract; and/or
2. Recommend to the board of supervisors the termination of the contract; and/or
3. Recommend to the board of supervisors that an employer be barred from award of future county contracts for a period of time consistent with the seriousness of the employer's violation of this chapter, in accordance with Section 2.202.040 of this code. (Ord. 2007-0011 § 4, 2007; Ord. 99-0048 § 1 (part), 1999.)

2.201.090 Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any employer or to any employee in a manner inconsistent with United States or California laws.

B. Collective Bargaining Agreements. Any provision of this chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. This chapter shall not be applied to any employer which is a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code.

D. Small Businesses. This chapter shall not be applied to any employer which is a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

1. Is not an affiliate or subsidiary of a business dominant in its field of operation; and

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2. Has 20 or fewer employees during the contract period, including full time and part time employees; and
3. Does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$1,000,000.00; or
4. If the business is a technical or professional service, does not have annual gross revenues in the preceding fiscal year which if added to the annual amount of the contract awarded exceed \$2,500,000.00.

"Dominant in its field of operation" means having more than 20 employees, including full time and part time employees, and more than \$1,000,000.00 in annual gross revenues or \$2,500,000.00 in annual gross revenues if a technical or professional service.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 99-0055 § 1, 1999; Ord. 99-0048 § 1 (part), 1999.)

2.201.100 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 99-0048 § 1 (part), 1999.)

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY PROJECT DIRECTOR:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
E-Mail Address: _____

COUNTY PROJECT MANAGER:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
E-Mail Address: _____

COUNTY CONTRACT PROJECT MONITOR:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
E-Mail Address: _____

CONTRACTOR'S ADMINISTRATION

EXHIBIT O

CONTRACTOR'S NAME: _____

CONTRACT NO: _____

CONTRACTOR'S PROJECT MANAGER:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
E-Mail Address: _____

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
E-Mail Address: _____

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
E-Mail Address: _____

Notices to Contractor shall be sent to the following:

Name: _____
Title: _____
Address: _____
Telephone: _____
Facsimile: _____
E-Mail Address: _____

LAC+USC Healthcare Network**SCHEDULE 2****To serve 85,000 Meals to 105,000 Meals Per Month****April 1, 2008 through March 31, 2009****Labor (Management/Staffing)**

Salaries and Wages \$5,710,416

Employee Benefits \$2,249,998

Subtotal Labor

Services and Supplies \$7,960,414

Food Cost \$2,997,070

Materials \$842,037

Liability Insurance Increase - Living Wage \$7,513

Subtotal Services & Supplies \$3,846,620**Equipment**

Replacement \$0

Lease-copier service contract \$6,577

Equipment \$0

Subtotal Equipment \$6,577**Other Direct Costs**

Depreciation \$9,404

Lease Service Contract \$53,453

Subtotal Other Direct Costs \$62,857**Subtotal Equipment, other direct** \$69,434**Total Direct Costs** \$11,876,468**Indirect Costs**

General and Administrative \$151,557

Management fee (profit) \$476,322

Total Indirect Costs \$627,879**Total Contract Year Budget** \$12,504,347**Basic Monthly Charge** \$1,042,029

Estimated Retail Revenue Credit* -\$2,538,137 -\$2,538,137

Estimated Partially Subsidized Meal Credit -\$121,000

Estimated Net Annual Cost \$9,845,210

Incidental Supplies \$45,000

Special Functions \$150,000

Sales Tax \$235,043

Maintenance and Repairs \$57,840

Estimated Total Annual Contract Cost \$10,333,093

The County will receive 9% of all retail sales over \$2,538,137 annually

* Actual Monthly Sales Net of Tax credited Monthly against the Basic Monthly Charge

INCREMENTAL FEE:

Per Meal:

105,001 - 110,000 Meals per Month: \$1.88

110,001 or greater Meals per Month \$4.65

FEE CREDIT:

84,999 or less meals \$1.88